

**Results of Review and Inspection of the Edelkind Property, Hull MA.
June 29, 2005**

Conclusions:

In my opinion the value of \$1,000,000 as reported by Mary Granville is well supported and reasonable. However it should be noted that this value is contingent upon the actual cost to correct numerous physical and legal deficiencies with the subject property. In order to properly estimate the cost to cure these deficiencies **I recommend that a contractor(s) be retained to provide a comprehensive overview of the cost to cure the cosmetic and potential structural issues that plague the subject.** Without a more definitive estimate of these costs the actual value of the subject is in question.

Background:

Two appraisals were presented as support for the Edelkind loan on the property located at 940 Nantasket Avenue Hull, MA. 02045. I inspected the subject property and comparable sales for both appraisals on June 28 and 29, 2005. During my inspection I was accompanied by Mary Granville, a local appraiser who performed a retrospective appraisal (dated 6-4-05), a current appraisal based on the "as is" condition of the subject and an appraisal subject to the repairs necessary to bring the subject into average condition.

One appraisal dated June 4, 2004 was performed by Jennifer MacKoul and supervised by Howard Dono. The second appraisal dated June 23, 2004 was performed by Jennifer Troup who was supervised by Susan Troup. Both appraisals indicate that Fairmont Funding was the client.

After inspecting the interior and exterior of the subject and the exterior of the comparables it is my opinion that the appraisers provided fraudulent appraisals that were intentionally misleading.

Current Value of the Subject Property

General Physical Characteristics:

My inspection of the subject property revealed a good to very good quality Victorian style home that, according to county records, was built in 1892. The subject is located across the street from the ocean and has expansive views of the ocean as well as the Boston lighthouse and the city of Boston. However the view is somewhat compromised by numerous high tension wires that lie between the subject and the ocean. The subject has no direct access to ocean.

Condition of the Subject:

A physical inspection of the subject as well as investigation by Appraiser Granville revealed that the dwelling is in fair to poor condition and is currently uninhabitable. Numerous issues are apparent with the:

- major mechanical systems of the dwelling (electrical, plumbing, gas, and heating and cooling),
- layout of the interior,
- cosmetic condition of the subject,
- structural components including the main support posts/beams and failing retaining wall in the backyard.

Attached to this memo are copies of letters from the Town of Hull that detail the problems noted with all mechanical systems in the dwelling. Apparently the owner made numerous changes to the property without the proper permits and expertise. Due to these infractions, detailed in the attached memo from the Hull Building Dept., the subject will require extensive renovation and retrofitting to simply bring into legal compliance. The building inspector characterizes these deficiencies as "dangerous to life or limb".

The layout or design of the subject has also been compromised. Apparently an attempt was made to remodel the kitchen. The quality of the components such as the cabinetry, appliances, flooring are all good. However the workmanship is so poor that most of these components will need to be replaced. Additionally, the range and oven are located in a different room. This is not only dysfunctional but may be a safety violation.

The master bedroom was redesigned to try and create a "suite" type of layout. However, the design is now dysfunctional due to the layout, the lack of doors, and the lack of direct access to the master bath. Additionally, the walk-in closet is located across the hall which is also a functional problem.

Cosmetically the subject is in poor condition. Some of the hardwood floors appear to have recently been refinished. However the refinishing job was poorly done and much of it may need to be redone. The property has extensive hardwood paneling through the main level. Numerous areas of the paneling have been damaged and have holes. These areas will also need to be fixed. It appears that the previous owner attempted to add new crown molding, finish trim over several of the doorways, and refinish the fireplace mantels. Unfortunately cheap faux materials were used that do not conform to the Victorian style or overall quality of the subject. Other cosmetic issues of note:

- holes in the ceilings
- exterior needs to be repainted
- areas of the exterior appear to have dry rot
- many light fixtures are missing
- many of the windows and window sills need to be replaced
- many of the windows are stained leaded glass and are in poor condition needing to be fixed or replaced
- overall the property inside and outside needs extensive cleanup. Debris, trash, and what appears to be an abandoned SUV litter the property.

The subject appears to have potential structural issues in that the support columns in the basement have been severed and temporary support columns have been installed. Several inches of standing water were also present. It is unclear as to reason why these columns were severed or where the water is originating. Either could be significant problems. Additionally, a 4'-5' retaining wall in the back yard is listing badly and appears to close to failure.

Comparable Sales and Current Value of the Subject:

The Appraisal Dept. recently procured an appraisal from a local appraiser named Mary Granville that is dated April 20, 2005 and estimates the "as is" value of the subject to be \$1,000,000. The appraisal was well done and unlike the origination appraisals utilized comparable sales from the immediate area. It is necessary to use sales from the immediate area, preferably Hull, due to the unique nature of this location. Hull is small town located on a peninsula between Boston Harbor and the Atlantic Ocean. Hull is generally made up of average to good quality seaside homes and cottages. Most of the sites are generally small making the area rather hi-density. Hull has limited employment opportunities and a comparatively poor school system. All of these factors act to keep property values relatively low. Sales of residential properties in excess of \$1,000,000 are scarce. At the time of the appraisal 22 properties were on the market for \$800,000 or more with only 7 at \$1,000,000 or greater. Four of these seven have been on the market for 150 days or longer. This indicates both a limited supply and demand for this type of property. The highest sale price over the past 5 years in Hull for a single family residence was \$1,430,000 in August of 2004 (comparable #2 in Granville appraisal) The average sale price for detached single family property in Hull is \$400,000.

The value estimate of \$1,000,000 appears to be relatively well supported and accurate. However, the appraiser is using a ball park estimate of \$400,000 - \$500,000 for repairs if the actual cost to repair is significantly different it would have an impact on the current value. I suggest that we consider hiring a contractor(s) to inspect the property and provide a more accurate estimate of the cost to cure the numerous deficiencies.

Attachments:

- Appraisal performed by Mary Granville
- Letters from Hull Building Dept.
- Pertinent newspaper articles

UNIFORM RESIDENTIAL APPRAISAL REPORT

Property Description

File No. 0S455623

Property Address	940 Nantasket Avenue		City	HULL	State	MA	Zip Code	02045
Legal Description	Please refer to Plymouth Registry of Deeds Book 19257 Page 118				County	PLYMOUTH		
Assessor's Parcel No.	Map 09 Lot 096		Tax Year	2005	R.E. Taxes \$	18,126	Special Assessments \$	None noted
Borrower	N/A		Current Owner	Linda Edelkind		Occupant:	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Property rights appraised	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold	Project Type	<input type="checkbox"/> PUD	<input type="checkbox"/> Condominium (HUD/VA only)	HOA \$	N/A	/Mo.
Neighborhood or Project Name	Allerton Hill		Map Reference	MSA 14484		Census Tract	5001.01	
Sale Price \$	N/A		Date of Sale	N/A		Description and \$ amount of loan charges/concessions to be paid by seller		
Lender/Client	Lehman Brothers Bank		Address	10350 Park Meadows Drive Littleton, CO 80124				
Appraiser	Mary E. Granville MA CERT GEN #345		Address	150 Wood Road/Suite 1001, Braintree, Massachusetts 02184				

Location	<input checked="" type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Predominant occupancy	Single family housing	Present land use %	Land use change
Built up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	<input checked="" type="checkbox"/> Owner	PRICE (\$000) 400 Low 25	One family 80	<input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely
Growth rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	<input type="checkbox"/> Tenant	1,400 High 125	2-4 family 20	<input type="checkbox"/> In process
Property values	<input checked="" type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Vacant (0-5%)	Predominant	Multi-family	To:
Demand/supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In balance	<input type="checkbox"/> Over supply	<input type="checkbox"/> Vacant (over 5%)	600 75	Commercial	
Marketing time	<input checked="" type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-6 mos.	<input type="checkbox"/> Over 6 mos.				

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: The subject property is located in the Allerton section of Hull. Neighborhood boundaries are Bluff Road on the east, Fitzpatrick Way on the south, Seawall Blvd on the north and Duck Lane on the west.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):

Current market conditions in Hull have stabilized after a strong appreciating market over the past several years. Demand is currently in balance with supply and properly priced homes sell within days to about four months. Homes excessively priced tend to remain on the market for several months until there is a price correction. Homes over \$900,000 are limited and tend to remain on the market longer as these properties have a very limited buyer pool. Financing is readily available at local lending institutions and sales concessions are not prevalent. Interest rates are hovering in 6 % for a 30 year fixed rate.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):

Current market conditions in Hull have stabilized after a strong appreciating market over the past several years. Demand is currently in balance with supply and properly priced homes sell within days to about four months. Homes excessively priced tend to remain on the market for several months until there is a price correction. Homes over \$900,000 are limited and tend to remain on the market longer as these properties have a very limited buyer pool. Financing is readily available at local lending institutions and sales concessions are not prevalent. Interest rates are hovering in 6% or a little less for a 30 year fixed rate.

Project Information for PUDs (If applicable) -- Is the developer/builder in control of the Home Owner's Association (HOA)? ☐ Yes ☒ No

Approximate total number of units in the subject project _____ Approximate total number of units for sale in the subject project _____

Describe common elements and recreational facilities:

Dimensions	See attached assessors plan and deed for dimensions		Topography	level to sloping
Site area	32,984 square feet	Corner Lot	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Size
Specific zoning classification and description	Single Family B (12,000 min) 75' frontage		Shape	32,924 s/f/ larger than typ
Zoning compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning	Drainage	adequate at time of insp	View
Highest & best use as improved:	<input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)	View	oceanview	Landscaping
Utilities	Public Other	Off-site improvements	Type	Public Private
Electricity	<input checked="" type="checkbox"/>	Street	asphalt paved	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	Curb/gutter	granite curb	<input checked="" type="checkbox"/>
Water	<input checked="" type="checkbox"/>	Sidewalk	asphalt	<input checked="" type="checkbox"/>
Sanitary sewer	<input checked="" type="checkbox"/>	Street lights	fluorescent	<input checked="" type="checkbox"/>
Storm sewer	<input checked="" type="checkbox"/>	Alley	none	<input type="checkbox"/>

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): The subject property is located at the base of Allerton Hill offering water views from three sides of the dwelling. The water oriented dwelling has foundation plantings and lawn area as well as a garage accessed from an adjacent street. SEE ADDENDUM

GENERAL DESCRIPTION		EXTERIOR DESCRIPTION		FOUNDATION		BASEMENT		INSULATION	
No. of Units	1	Foundation	granite	Slab	N/A	Area Sq. Ft.	2,929 sq. ft.	Roof	<input type="checkbox"/>
No. of Stories	3 1/4	Exterior Walls	stucco	Crawl Space	N/A	% Finished	none	Ceiling	<input type="checkbox"/>
Type (Det./Att.)	detached	Roof Surface	plastic tile	Basement	full	Ceiling	none	Walls	<input type="checkbox"/>
Design (Style)	victorian	Gutters & Dwnspts.	alum/	Sump Pump	unknown	Walls	none	Floor	<input type="checkbox"/>
Existing/Proposed	existing	Window Type	jalousie	Dampness	in part	Floor	none	None	<input type="checkbox"/>
Age (Yrs.)	113	Storm/Screens	in part	Settlement	in part	Outside Entry	yes	Unknown	<input checked="" type="checkbox"/>
Effective Age (Yrs.)	20-30	Manufactured House	N/A	Infestation	squirrels				

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement												2,929
Level 1	X	X	X	X	X				.5	X	sunprch	2,862
Level 2								3	3		deck	2,789
						X		3	1			1,380

Finished area above grade contains: 11 Rooms: 6 Bedroom(s): 4.5 Bath(s): 7,031 Square Feet of Gross Living Area

INTERIOR	Materials/Condition	HEATING	KITCHEN EQUIP.	ATTIC	AMENITIES	CAR STORAGE:
Floors	oak	Type	FHA	Refrigerator	<input checked="" type="checkbox"/> None <input type="checkbox"/>	None <input type="checkbox"/>
Walls	oak panel/plast	Fuel	gas	Range/Oven	<input checked="" type="checkbox"/> X	Garage
Trim/Finish	oak	Condition	unknown	Disposal		2# of cars

Valuation Section

File No. 0S455623

COST APPROACH	ESTIMATED SITE VALUE = \$		Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): The Cost Approach is not considered appropriate to this appraisal due to the age of the dwelling and the difficulty in estimating depreciation and obsolescence which is necessary in valuation method and can be subjective in nature. Additionally, there is a very limited number of land sales in this fully developed neighborhood with which to base a site value estimate.
	ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:		
	Dwelling 7,031 Sq. Ft. @	= \$	
	2,929 sq. ft. Sq. Ft. @	=	
		=	
	Garage/Carport Sq. Ft. @	=	
	Total Estimated Cost New	= \$	
	Physical Functional External		
	Less		
	Depreciation	= \$	
Depreciated Value of Improvements	= \$		
"As-is" Value of Site Improvements	= \$		
INDICATED VALUE BY COST APPROACH = \$		0	

ITEM	SUBJECT	COMPARABLE NO. 1			COMPARABLE NO. 2			COMPARABLE NO. 3		
Address	940 Nantasket Avenue HULL	180 Border Street Scituate			49 Beach Street Hull			27 Surfside Road Scituate		
Proximity to Subject		7.4 MI SE			2.1 MI SE			8.5 MI ESE		
Sales Price	\$ N/A		\$	1,325,000		\$	1,430,000		\$	1,525,000
Price/Gross Liv. Area	\$	214.90			\$	482		\$	479	
Data and/or Verification Source	inspection	MLS, Realtor, Assessors			MLS, Realtor, Assessors			MLS, Realtor, Assessors		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment		DESCRIPTION	+ (-) \$ Adjustment		DESCRIPTION	+ (-) \$ Adjustment	
Sales or Financing Concessions		none reported			none reported			none reported		
Date of Sale/Time	4/20/05	12/17/2004			8/31/2004			7/26/2004		
Location	Hull/avg	Scituate/avg			Hull/ avg			Scituate/avg		
Leasehold/Fee Simple	fee simple	fee simple			fee simple			fee simple		
Site	32,984 sq. ft./avg	2.29 acre/sup	-50,000		6,098 sq ft/inf	100,000		11,279 sq ft/inf	25,000	
View	oceanview	no ocean	132,500		oceanview			oceanfront	-76,250	
Design and Appeal	victorian/good	tudor/good			victorian/good			colonial/good		
Quality of Construction	excellent	good	66,250		excellent			excellent		
Age	113 years	105 years			105 years			105 years		
Condition	average	good	-66,250		excellent	-140,300		good	-76,250	
Above Grade	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Room Count	11 6 4.5	13 5 5.5	-5,000		10 6 4.0	2,500		10 4 3.5	5,000	
Gross Living Area	7,031 Sq. Ft.	6,165 Sq. Ft.	30,300		2,967 Sq. Ft.	142,250		3,184 Sq. Ft.	134,650	
Basement & Finished Rooms Below Grade	full/unfinished	full/unfinished			full/finished room	-2,500		full/unfinished		
Functional Utility	average	average			average			average		
Heating/Cooling	FHA/yes	FHA/none	5,000		FHA/none	-5,000		FHA/none	5,000	
Energy Efficient Items	average	average			average			average		
Garage/Carport	2 car unusable	2 car garage/barn	-10,000		1 car detached	-5,000		2 car detached	-10,000	
Porch, Patio, Deck, Fireplace(s), etc.	encl porch/decks 6 fireplaces	deck/waterfall 6 fireplaces			open porch/deck 1 fireplace	10,000		porch, balco, patio 1 fireplace	10,000	
Fence, Pool, etc.	no pool	inground pool	-20,000		pond	-2,500		no pool		
	finished attic/bath	No finished attic	5,000		No finished attic	5,000		No finished attic	5,000	
Net Adj. (total)		X + -	\$ 87,800		X + -	\$ 104,450		X + -	\$ 22,150	
Adjusted Sales Price of Comparable		6.63 % Net 29.46 % Grs	\$ 1,412,800		7.30 % Net 29.02 % Grs	\$ 1,534,450		1.45 % Net 22.76 % Grs	\$ 1,547,150	

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): The above sales are considered the best sales with which to compare to the subject property. The size adjustment is based on \$35 per square foot. A complete analysis of the sales selection and adjustments are included in the addendum section of this report. The value estimate considers the property to be in average overall condition. The estimate in average condition is \$1,500,000. The estimated value of the property with consideration given to the repairs and renovation as is is \$1,000,000.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price, and Data	1/12/2001	12/31/93	6/14/1999	12/17/1997
Source, for prior sales	\$900,000	\$525,000	Family	\$610,000
within year of appraisal	Assessors/MLS	Assessors	Assessors	Assessors

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: The subject property is not currently publicly listed for sale.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 1,000,000

INDICATED VALUE BY INCOME APPROACH (If Applicable) Estimated Market Rent \$ /Mo. x Gross Rent Multiplier = \$ N/A

This appraisal is made ☐ "as is" ☒ subject to repairs, alterations, inspections or conditions listed below ☐ subject to completion per plans and specifications.

Conditions of Appraisal: Please see addendum regarding the repairs necessary to consider the property in average overall condition.

Final Reconciliation: The primary approach to value is the Market Data Approach to Value with the following adjustments:

TEXT ADDENDUM

File No. 0S455623

Borrower: N/A		County: PLYMOUTH Zip Code: 02045
Property Address: 940 Nantasket Avenue		
City: HULL	State: MA	
Lender: Lehman Brothers Bank		

USPAP REGULATIONS:

In accordance with Standard Rule 1 of the Uniform Standards of Professional Appraisal Practice (USPAP), no departure has been invoked and this report is considered to be a COMPLETE APPRAISAL.

In compliance with Standards Rule 2 of the USPAP Regulations, the reporting format is is considered to be a SUMMARY REPORT, wherein some of the information considered and the appraisal procedures followed may be summarized rather than described in detail.

PURPOSE AND FUNCTION OF APPRAISAL:

The purpose of the appraisal is to estimate the market value of the subject property as defined herein. The function of the appraisal is to assist the above-named Lender in evaluating the subject property for asset valuation.

SCOPE OF THE APPRAISAL PROCESS:

The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.

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LEGAL REFERENCE:

The deed is attached for review and is available to the reader for review or attachment to the appraisal report. The book and page reference cited is based on assessing record data.

MARKET OVERVIEW:

The market in Hull for large Victorian properties is limited at any given time. The subject property is unique in this market place of seaside year round homes and cottages. However analysis enclosed in this report indicates limited sales of over \$700,000 have occurred in the Town of Hull. Hull was overly developed in the last century and many lots have been divided into very small parcels allowing for hi-density and an overall seaside cottage type appeal. The Hull market indicated 28 properties in this price range since the year 2000 with overall appreciation over the past five years set at 16.79% in this

TEXT ADDENDUM

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Borrower: N/A**Property Address:** 940 Nantasket Avenue**County:** PLYMOUTH**City:** HULL**State:** MA**Zip Code:** 02045**Lender:** Lehman Brothers Bank**SITE:**

The subject site consists of over 32,924 square feet parcel and fronts on Nantasket Avenue with 200 feet of frontage. It is located at the corner of Point Allerton Road. The frontage on Point Allerton Road is 149 feet. The site is nearly rectangular in shape with the exception of a strip of land which runs at the rear of the property. This strip of land accomodates the garage which is a modest two car wood frame structure. There is a significant dirt pile in the driveway of the garage which has caused some neighborhood concern. The landscaping in the yard consists of foundation plantings. A few trees and hedges edge the street property line on Nantasket Avenue and Point Allerton Road. There is chain link fencing at the rear of the property edging the area where the garage is constructed. Mr. Edelkind had wanted a level yard so a retraining wall was built to accommodate this at the rear of the property line. This retaining wall which has been constructed of a masonry product is now falling in. The dirt that was removed to create the level yard is the dirt in the driveway fronting on Glover Street. There is a left side faux brick or stone driveway which leads from Nantasket Avenue to the carport which is on the right side of the dwelling. There is walkway which has been created on the left side of the yard to create a sitting area. There are white and gold ornate iron gates at the front entrance. The remaining area is either grass covered or stone covered with the exception of the walkways which lead to dwelling.

A visual description of the site can be found in the attached photographs.

PROPERTY DESCRIPTION:

The subject property is a Victorian Style dwelling located in the Allerton Hill section of Hull. The property is a three plus story dwelling which was constructed in 1892 for Boston Mayor John J. "Honey Fitz" Fitzgerald, the father of Rose Fitzgerald Kennedy. The dwelling is stately in appearance and was constructed of very good quality materials. It is situated to give full consideration to the ocean views.

The dwelling is a Elizabethan or Half Timber style which is distinguished by massive sculpted chimneys, complicated high peaked roof lines and small stained glass casement windows. The interior of this style often has large halls and spacious living spaces with large fireplaces and beamed ceilings. All of these characteristics are significantly present in the subject structure.

Entry to the dwelling is through a massive oak door to an entry foyer which is expansive. The foyer is open to the second level with a staircase which wraps around the masonry fireplace. There is a long window seat which is on the opposite side of the foyer. From the foyer, access to most parts of the dwelling is possible. The right side open to a study/reading/music room. This room is completely finished in oak panels and has beamed ceilings. The study is large and the windows are on the front side of the dwelling and overlook the front yard.

The foyer has a large opening to the left side living room. The living room has dark oak panelling, a beamed ceiling and oak floors. The living is enhanced by detailed molding and an intricately carved mantle. This living room is very large and has the benefit of opening to a left front enclosed porch. To the rear of the living room is a banquet sized dining room. The dining room is enhanced with the same detail as the living room. The mantle is richly carved and the fenestration from this room offers a direct view of Boston Lighthouse.

At the rear of the foyer and to the right of the dining room is a series of hallways and small area which leads to the kitchen. The kitchen is well sized and has been renovated with new cabinets, a granite

TEXT ADDENDUM

File No. 0S455623

Borrower: N/A		
Property Address: 940 Nantasket Avenue		County: PLYMOUTH
City: HULL	State: MA	Zip Code: 02045
Lender: Lehman Brothers Bank		

dwelling and accesses both the kitchen area and the dining room.

The second level is accessed from the front foyer staircase as well as a second staircase located off the kitchen. There are three bedrooms on this level and three full baths. There is a large right side bedroom which has a very small closet. To the rear of this bedroom, is an additional good size bedroom with large adjacent closet or little sitting room. This room has doors that open to the roof but no roof enclosure to allow for access. Adjacent and accessed from this bedroom is a full older looking bath with a vanity, ceramic tile floor and a tub/shower. This bath is also accessed from the central hall. Central to the rear of the second floor is a full bath with an older appearance, an ornate vanity, a water closet and a tub/shower combination. Neither of these baths have been updated or remodeled in keeping with the design of the dwellings. A long hallway leads to the master suite which is located on the left side of the dwelling. There is a large master bedroom which has a fireplace and french doors which lead to a deck. The deck has a stone flooring. The deck also has panoramic vies of Boston Light and City of Boston. At the rear left corner of this dwelling is a full bath which appears to have been newly installed. There are twin sinks, a large whirlpool tub and a double shower stall which is fitted with a steam component. There is additional alcove which has the water closet. The floor and walls are a combination of ceramic tiles and marble tiles. The bath appears to be fairly well done however, no building permits had been issued for any part of the dwelling and information obtained from the town indicates this bath and all the baths may be sub-standard. Adjacent to the bath is a room which at one time may have been a nursery or a bedroom and has been turned into a closet. The closet installation appears to be sub standard.

Unless otherwise noted, the second floor finishes are a combination of hardwood floors, painted plaster wall and ceilings. The floors appear to have been refinished with a dark stain. There are pieces of plastic molding which have been added which are not in keeping with the dwelling. Sections of oak panelling have been replaced with moldings that do not match as this was apparently done when doorways were changed.

The third level is finished with three bedrooms, a full bath and a playroom. The bedrooms are fairly small and have some minimal wallpapering. These bedrooms appear to have some use and would need to be cosmetically repaired. The bath is new with good quality fixtures. There is a left side playroom which has a very high ceiling which has been fitted with a pattern of contemporary fixtures. There are floor to ceiling bookcases in this room on one wall. There is a very large hole in the ceiling of this room. The debris is in the center of the room. A staircase that has been constructed without a railing leads to a story above which houses what appears to be several large tubing and pumps which are accessed from this area.

There is a staircase which leads to the fourth level of the dwelling. There is a bedroom and bath on this level and a small area which is considered attic. In the analysis, the appraiser has considered this area finished attic.

For the most part, it appears the mechanical systems are located in the basement . The heating is a gas system and there appears to be two gas furnaces and a hot water heater. The electricity is a mix of old and new. There are several temporary lally columns in the basement. and evidently this was necessary to keep the structure sound. It is unclear if the mechanical systems are working or if they meet code. Some information regarding this is attached as they are memos from the building department.

The structure appears to be in fair overall condition. No building permits were obtained to work on the dwelling. The work that has been completed is sub-standard, poorly installed and not in keeping with

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City: HULL	State: MA	Zip Code: 02045
Lender: Lehman Brothers Bank		

reader's information The appraiser attempted to verify the condition of the dwelling at the time of sale. A listing broker reports the property to be in fair to average overall condition at the time of sale, needing significant rehab. It is noted the property was on the market for 422 days prior to the sale. The broker reported part of the time the property was due to the buyer, Edelkind holding things up (approximately 7-8 months). At that time there were 3 properties that were sold over \$1,000,000 in Hull during 2002. No other information is available to the appraiser.

COMPARABLE SALES:

The appraiser reviewed sales from the Town of Hull and the neighboring oceanfront towns of Cohasset, Scituate and Hingham. While Cohasset and Hingham are considered superior communities, certain sections of Scituate are considered very similar in many respects to the Town of Hull. The property is very large and it would require a great deal of effort both physical labor and financial labor to bring the property into good condition. The appraiser considered the market in general for a property of this type in the Town of Hull, the amount of work necessary and the ability of the property to compete within its market place after the work has been completed.

The property has the historical advantage of being Rose Fitzgerald Kennedy's summer home and the summer home of her father Honey Fitz. It has the distinct advantage of being well constructed and an imposing dwelling on its 32,924 square foot site. The property also is much larger than all other properties in the area and the overall size of the dwelling may be a detriment to its marketability. The property is located in such a way to take advantage of views but is not oceanfront, and is located in an overall hi-density neighborhood which does not offer the estate like setting a dwelling of this stature may need to compete economically in the market place. The view while panoramic also has the disadvantage of power line and cables in its path. Therefore in researching sales, the Hull location became the most important in valuing the subject property. The sales used in the analysis are all ocean oriented sale with the exception of one which was used in the analysis because of its similarity in style and overall size. The appraiser considered several sales however narrowed the sales to four, a pending sale and a listing in Hull. Two of the sales were from the neighboring town of Scituate. The analysis is as follows.

The comparable sales cited in the attached appraisal report are considered the best sales in terms of location with which to compare to the subject property. The sales are adjusted as follows:

No time adjustment is indicated at this time. Size adjustments are based on \$35.00 per square foot. Bathroom adjustments are \$2,500 for a half bathroom and \$5,000 for a full bath. The water adjustments are 10% for no water orientation, 5% for waterfront or oceanfront. Acreage is lump sum applied at \$25,000, \$50,000 and \$100,000 respective to the lot size. Condition adjustments have been applied to all sales at 5% for good condition and 10% for excellent condition versus the assumed average condition of the subject property. The subject is actually in fair condition at this time. In order to adjust the sales, the appraiser has assumed average condition and then considered the potential costs of the repairs. This estimated cost is then subtracted from the appraised value to arrive at an indication of value for the subject property. Other adjustments are based on market observation and analysis.

Comparable #1 is located at 180 Border Street in Scituate, Massachusetts. This property sold for \$1,325,000 in December of 2004. This sale consists of 13 rooms, 5 bedrooms and 5.5 bathrooms. Adjustments have been made to this sale for lot size, lack of ocean orientation and overall condition. This sale was used in the analysis due to its large square footage. After adjustment, this sale indicated a value of \$1,412,800 for the subject property.

TEXT ADDENDUM

File No. 0S455623

Borrower: N/A		
Property Address: 940 Nantasket Avenue		County: PLYMOUTH
City: HULL	State: MA	Zip Code: 02045
Lender: Lehman Brothers Bank		

directly on the ocean and has a view of Minot's Light. This property sold for \$1,525,000 in July of 2004. This sale has been adjusted a lump sum for lot size at \$25,000. Other adjustments are 5% for oceanfront versus oceanview, 5% for good condition versus average. All other adjustments are made based on market observation. After adjustment, this sale indicates a value of \$1,547,100 for the subject property.

Comparable #4 is located at 251 Beach Avenue in Hull, Mass. This property sold for \$1,025,000 in August of 2004. This property is located across the street from Nantasket Beach. This property has an oceanview and direct access to the beach. This sale has been adjusted for far inferior lot size, design and appeal, quality of construction and overall condition. After adjustments, this sale indicates a value of \$ 1,412,800 for the subject property.

Comparable listing #5 is also located on Beach Avenue and this sale is listed for \$1,300,000 and is reportedly under agreement . This sale has been adjusted for inferior lot size, design and appeal, overall quality of construction and overall condition. After adjustments , this listing indicated a value of \$1,524,150 for the subject property.

Comparable listing #6 is a current offering. This sale is a large summer cottage in fair to average overall condition. This property is actively listed for \$1,350,000 and has been on the market since December of 2004. This listing has been adjusted for oceanfront versus oceanview. This offering has also been adjusted for overall quality of construction and the lack of a central heating system. After adjustment, this sale indicates a value of \$1,509,500 for the subject property.

The sales form a fairly narrow range of value. While none of the sales are actually comparable to the subject in terms of size and quality of construction, a pattern of value has been developed. It is the opinion of the appraiser, based on the data presented as well as the overall knowledge of the marketplace, the value of \$1,500,000 is estimated for the subject property were it in average condition. Additionally, the cost to cure must be taken into consideration in arriving at an as is value. The appraiser assumes, based on data collected from the building department as well as inspection of the dwelling, the property may require about \$500,000 to put it in average condition. The market value of the subject located at 940 Nantasket Avenue, Hull, Massachusetts as of April 20,2005 is \$1,000,000.

BUILDING DEPARTMENT INFORMATION:

Information regarding building permits issued for the subject property are as follows:

4/27/04- deck permit \$2,000
 8/12/02- roof permit \$27,000
 7/08/02- repairs \$5,796

Some documentation of the building inspector file is included in this report.

The following is a list of information obtained from the building department

A letter dated 3/22/05 from Oslo thanking the building inspector for information regarding the repairs needed to be completed on the subject property

6/22/04 violation regarding construction material debris including a lawnmower and a venting hose

TEXT ADDENDUM

File No. 0S455623

Borrower: N/A	
Property Address: 940 Nantasket Avenue	County: PLYMOUTH
City: HULL State: MA	Zip Code: 02045
Lender: Lehman Brothers Bank	

3/4/03 Permit requested for a 3 car garage with apt above -not granted

6/08/02 Permit issued for retaining wall

4/27/04 building permit issued for balcony

8/12/02 Building permit issued for roof

There were other permits and requests for electrical work. However permits pulled under the Edelkind ownership totalled \$34,796.00.

It appeared from reading the documentation that Mr. Edelkind did not pull permits for much of the work performed including the bath, kitchen, some electrical work and the mechanical systems. Documentation suggests Mr. Edelkind was difficult to work with. In addition, no significant cosmetic work had been completed on the property.

The appraiser estimates the work to be completed to include five bathrooms, a new kitchen, cosmetic repair and renovation and landscaping. Additionally, heating systems and electrical systems would need to be completely updated or retrofitted as well as the structural issues commented in the letters attached. The total estimate which is an approximate amount is \$500,000. A contracting professional would need to be consulted to be produce an accurate estimate.

RECONCILIATION:

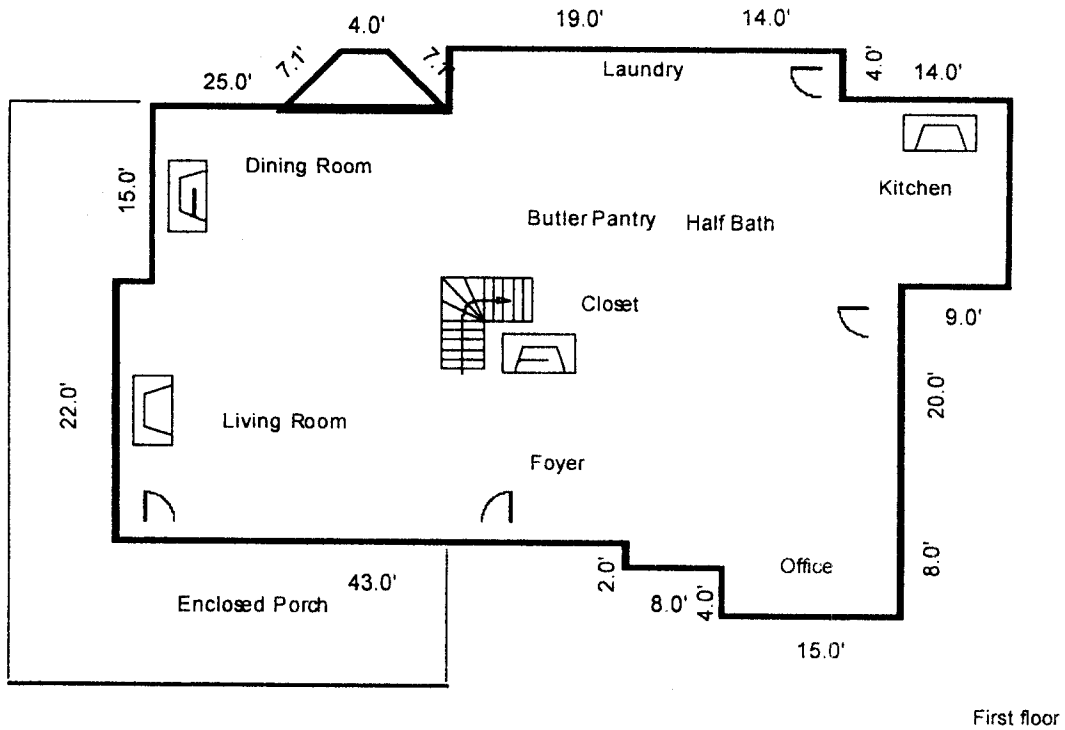
The appraiser relied on the direct sales comparison approach to value to arrive at a value indication for the subject property. The Cost and Income approaches to value were not considered appropriate to this appraisal. The market approach relied on sales comparable in location or size. These sales, while not as large as the subject, have been adjusted to arrive at an indication of value for the subject property. The appraiser relied somewhat on the offering at 25 Mt Peasant Avenue as it is located on a similar lot and needs a complete restoration. This offering has been on the market since December of 2004 and has not sold. It should also be mentioned that the subject property is very large and may limit the number of potential buyers who may consider the dwelling to be unmanageable. The estate type properties of neighboring communities may take precedence over the subject property in the limited pool of buyers for this dwelling. Additionally, should the property be completely restored, a value approaching \$2,000,000 may be within reach.

After considering all the above, the market data supports and indicates a value of \$1,000,000 for the property located at 940 Nantasket Avenue, Hull, Massachusetts as of April 20, 2005

SKETCH ADDENDUM

File No: 0S455623

Borrower / Client N/A
 Property Address 940 Nantasket Avenue
 City HULL County PLYMOUTH State MA Zip Code 02045
 Lender Lehman Brothers Bank



Sketch by Apex IV Windows™

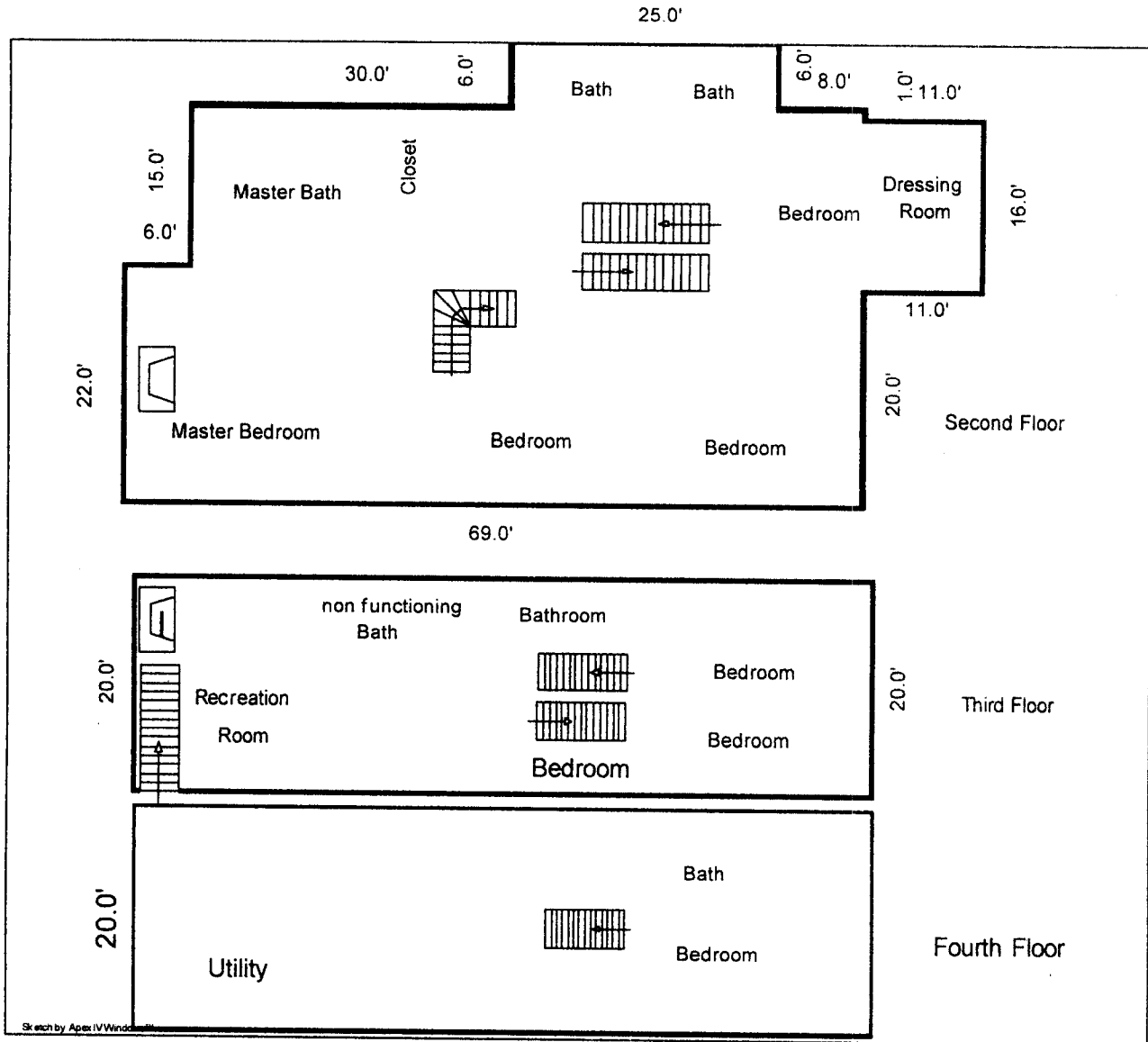
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLAL	First Floor	2817.00	
	First Floor	45.00	2862.00

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
23.0 x	24.0	552.00
22.0 x	43.0	946.00
4.0 x	15.0	60.00
20.0 x	33.0	660.00
15.0 x	25.0	375.00
14.0 x	16.0	224.00
4.0 x	5.0	20.00
0.5 x	5.0 x 5.0	12.50
0.5 x	5.0 x 5.0	12.50

File No: 0S455623

Borrower / Client N/A
 Property Address 940 Nantasket Avenue
 City HULL County PLYMOUTH State MA Zip Code 02045
 Lender Lehman Brothers Bank



Comments:

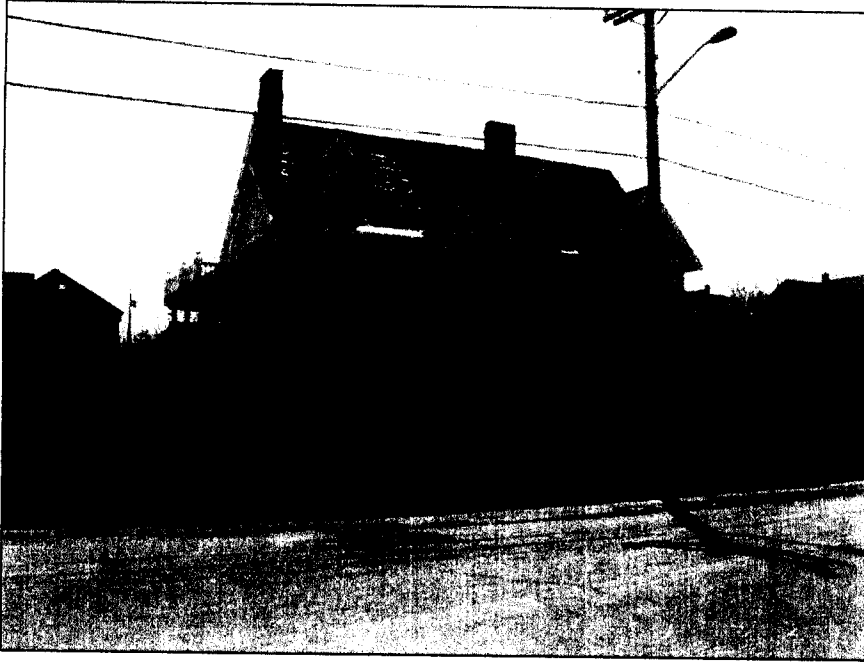
AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA2	Second Floor	2789.00	2789.00
GLA3	Third Floor	1380.00	1380.00

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
Second Floor		
11.0 x	16.0	176.00
37.0 x	63.0	2331.00
6.0 x	22.0	132.00
6.0 x	25.0	150.00
Third Floor		
20.0 x	69.0	1380.00

SUBJECT PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



FRONT OF
SUBJECT PROPERTY



REAR OF
SUBJECT PROPERTY



STREET SCENE

INTERIOR PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A

Property Address 940 Nantasket Avenue

City HULL

County

PLYMOUTH

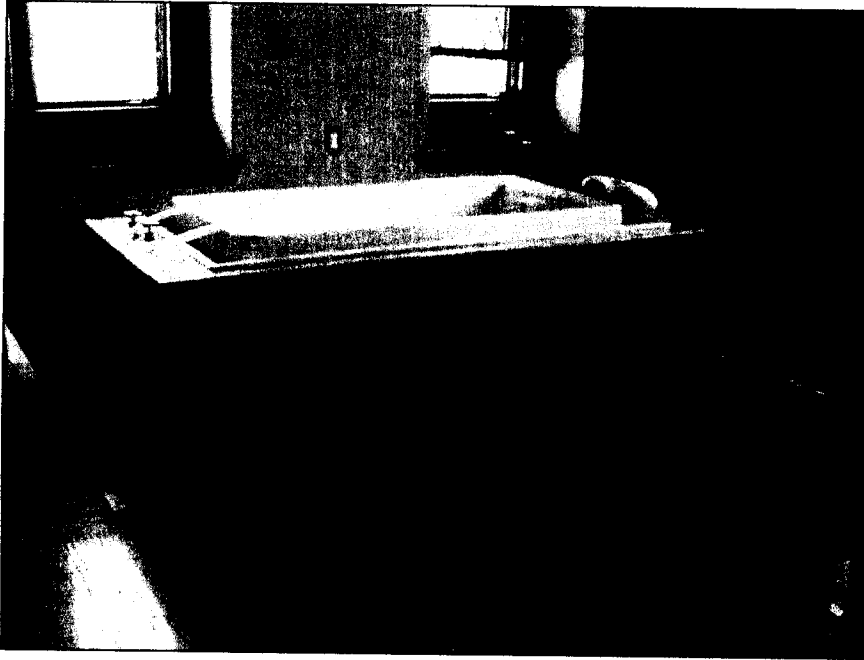
State

MA

Zip Code

02045

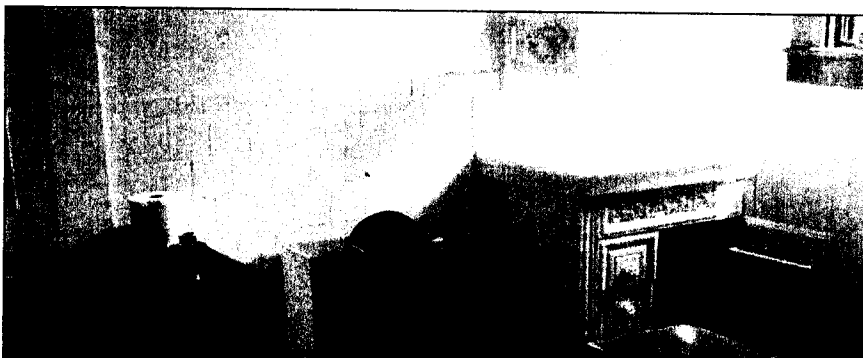
Lender Lehman Brothers Bank



Master bedroom



bathroom

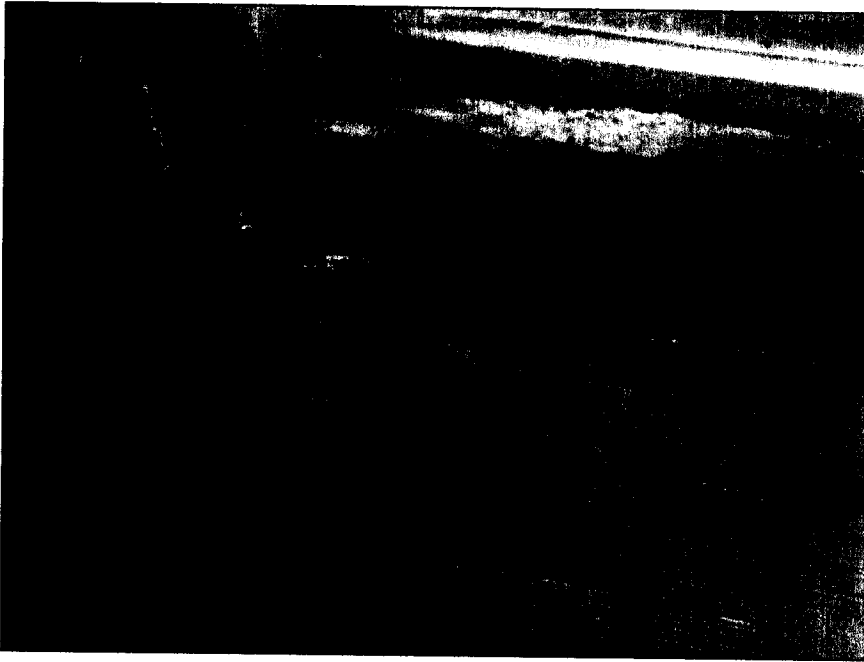


bathroom

INTERIOR PHOTOGRAPH ADDENDUM

0S455623

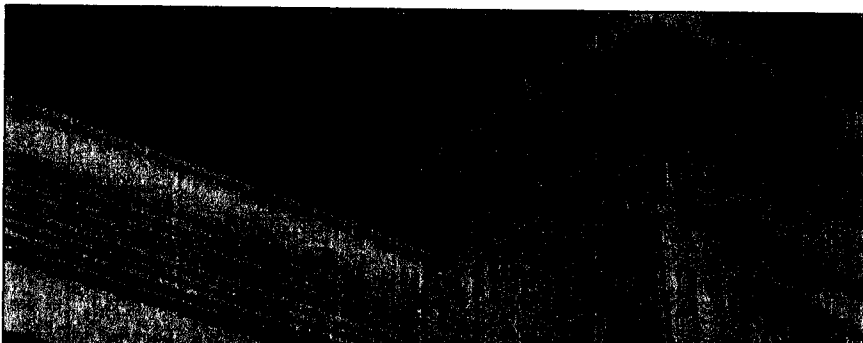
Borrower	N/A						
Property Address	940 Nantasket Avenue						
City	HULL	County	PLYMOUTH	State	MA	Zip Code	02045
Lender	Lehman Brothers Bank						



water damage
window



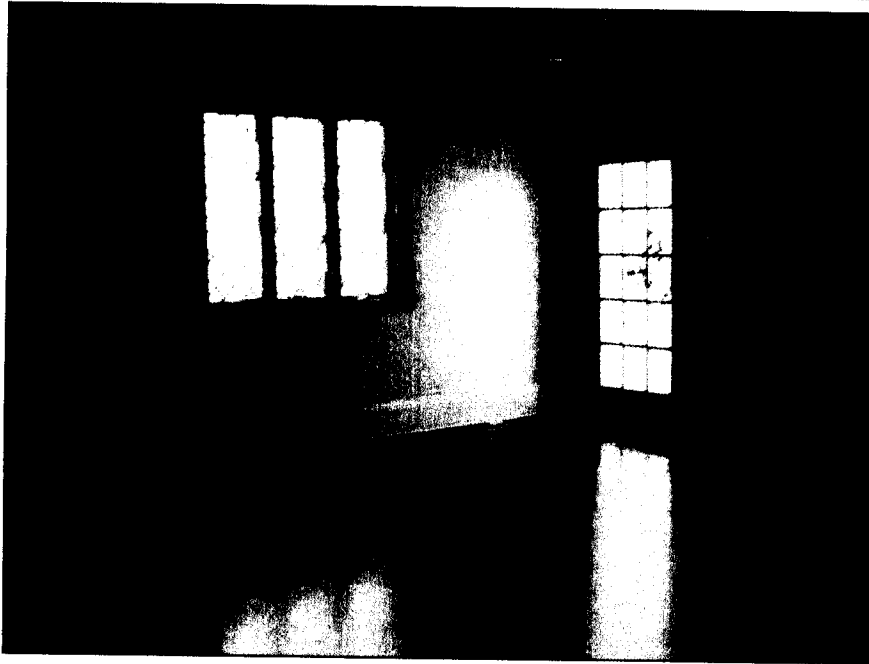
stained glass window
showing signs of
bowing



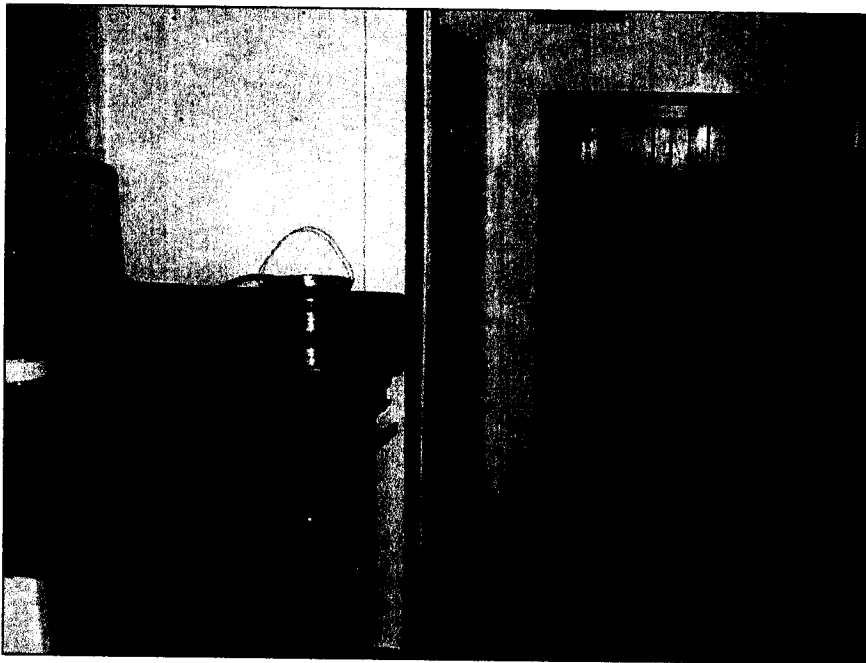
INTERIOR PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



Master bedroom



galley kitchen

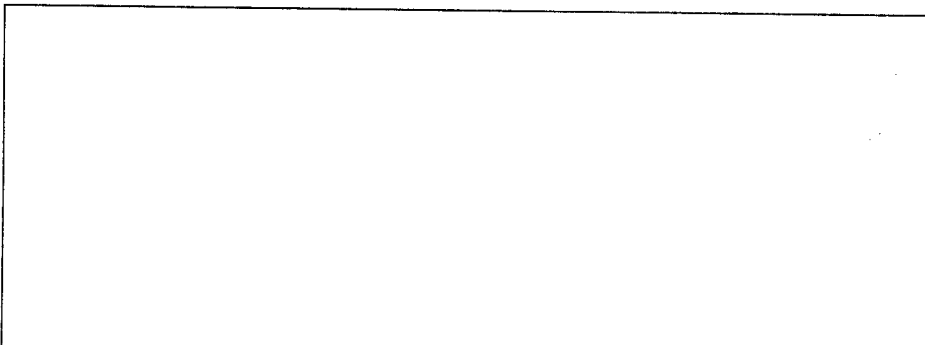
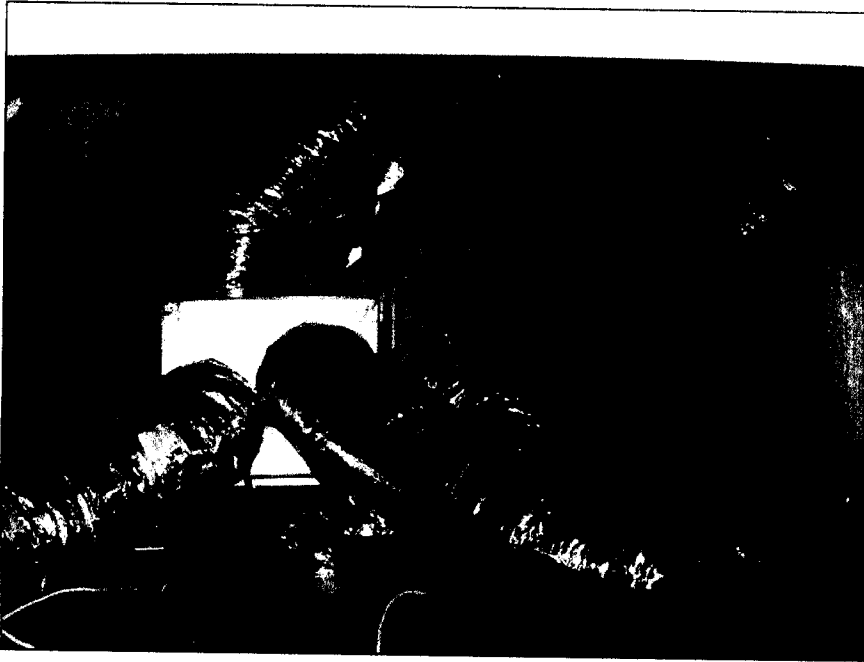


Kitchen

INTERIOR PHOTOGRAPH ADDENDUM

0S455623

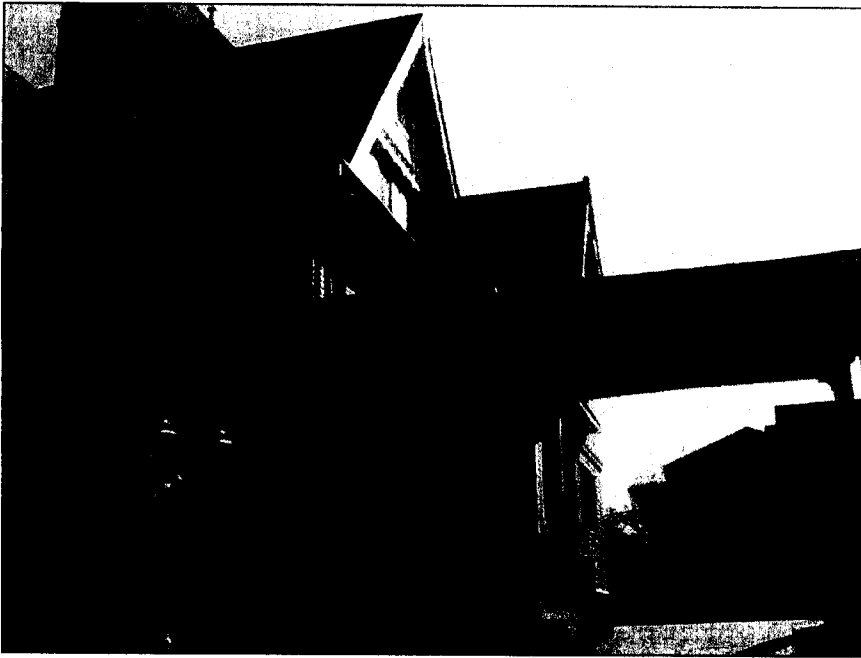
Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



ADDITIONAL PHOTOGRAPH ADDENDUM

0S455623

Borrower	N/A						
Property Address	940 Nantasket Avenue						
City	HULL	County	PLYMOUTH	State	MA	Zip Code	02045
Lender	Lehman Brothers Bank						



carport



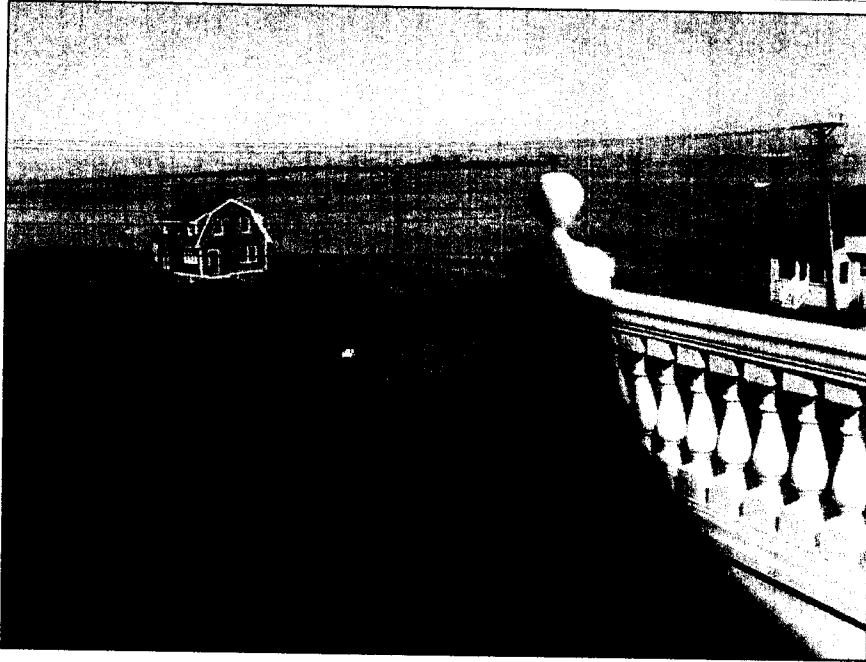
view of enclosed porch



ADDITIONAL PHOTOGRAPH ADDENDUM

0S455623

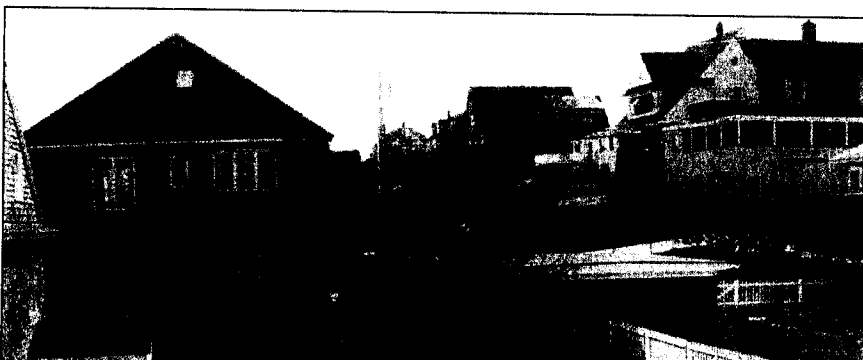
Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



view



view

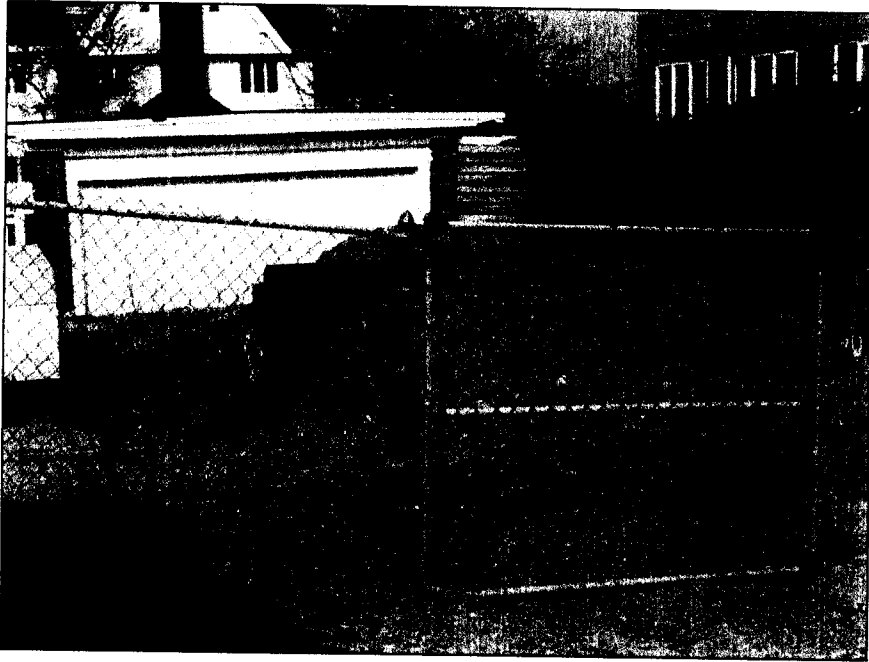


view towards garage
and Gover Avenue

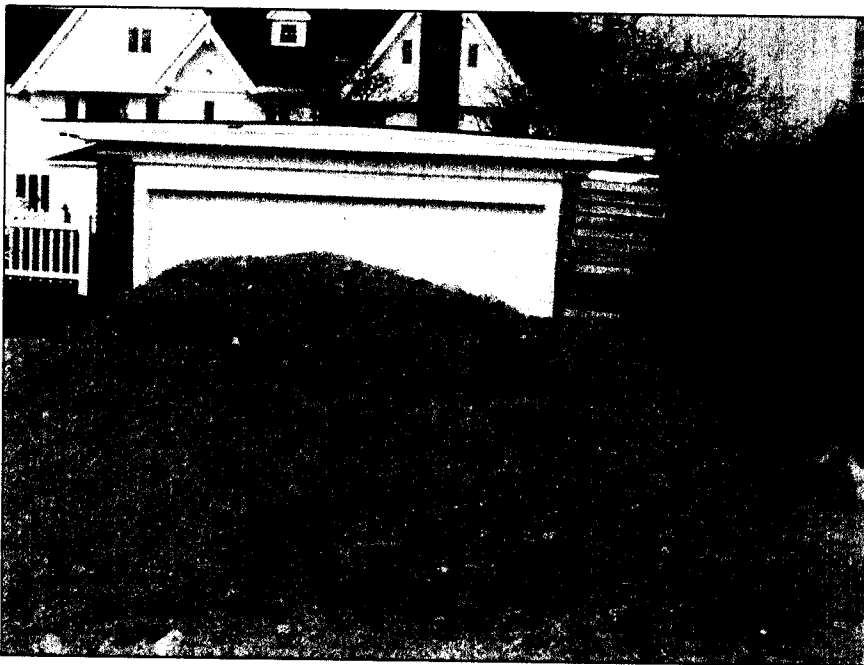
ADDITIONAL PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



garage



garage/old driveway



front yard cement area

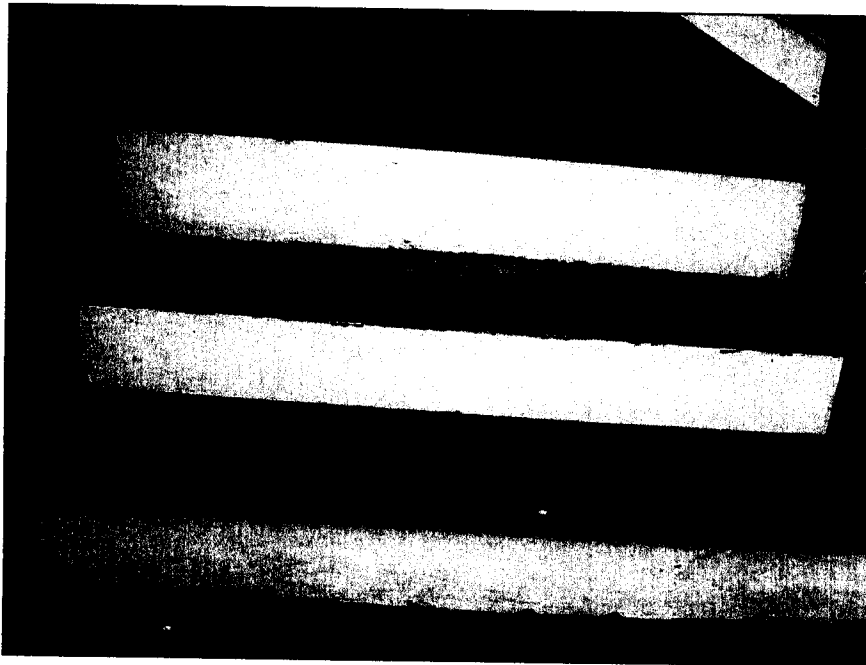
ADDITIONAL PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



porch with trash



stairs missing planks



Deck missing planks

INTERIOR PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A

Property Address 940 Nantasket Avenue

City HULL

County

PLYMOUTH

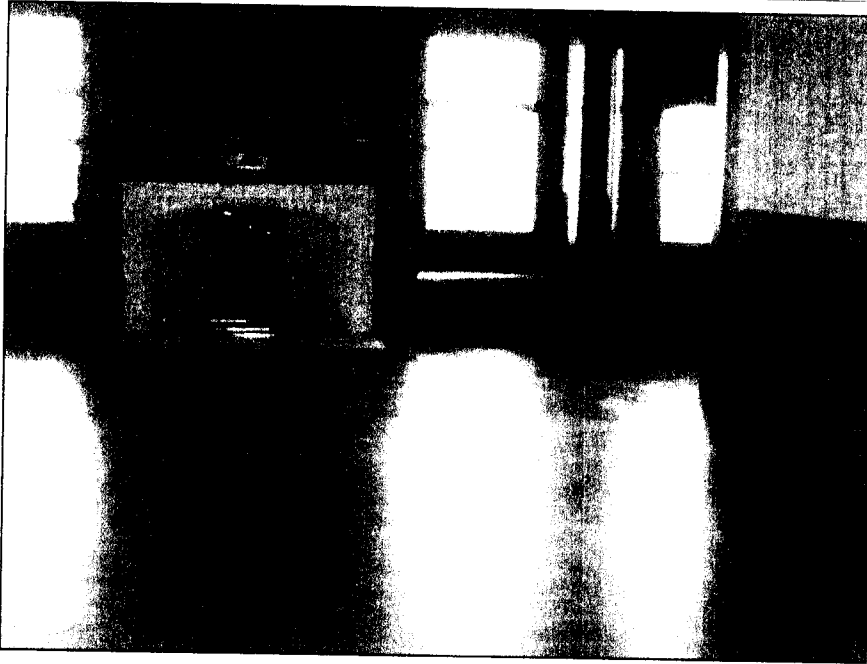
State

MA

Zip Code

02045

Lender Lehman Brothers Bank



living room



view from dining room

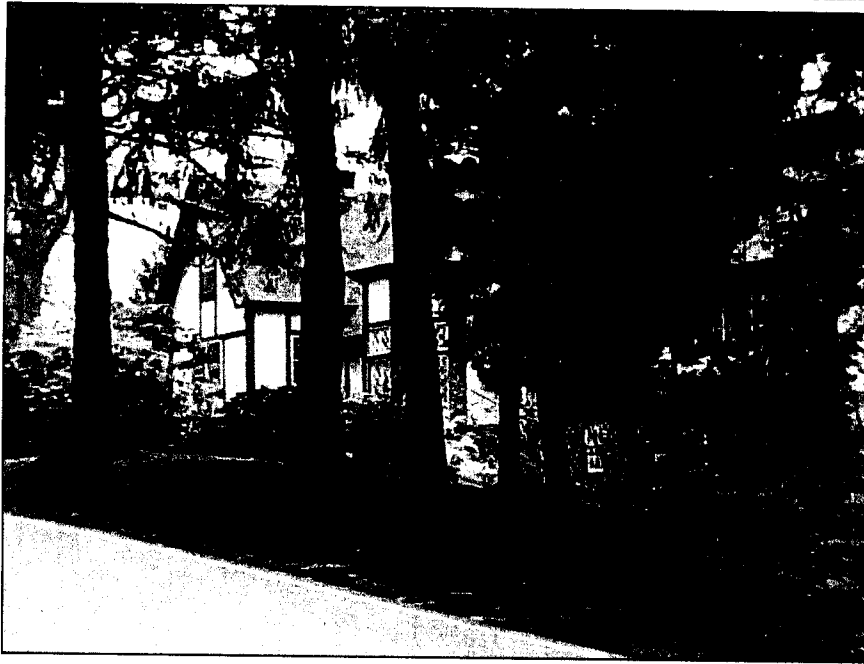


woodwork
showing water damage
in dining room

COMPARABLES PHOTOGRAPH ADDENDUM

0S455623

Borrower N/A
Property Address 940 Nantasket Avenue
City HULL County PLYMOUTH State MA Zip Code 02045
Lender Lehman Brothers Bank



COMPARABLE SALE # 1

180 Border Street

Scituate

Date of Sale : 12/17/2004

Sale Price : 1,325,000

Sq. Ft. : 6,165

\$ / Sq. Ft. : 214.90



COMPARABLE SALE # 2

49 Beach Street

Hull

Date of Sale : 8/31/2004

Sale Price : 1,430,000

Sq. Ft. : 2,967

\$ / Sq. Ft. : 482



COMPARABLE SALE # 3

27 Surfside Road

Scituate

Date of Sale : 7/26/2004

Sale Price : 1,525,000

COMPARABLES 4 5 6 PHOTOGRAPH ADDENDUM

09455623

Borrower N/A

Property Address 940 Nantasket Avenue

City HULL

County PLYMOUTH

State MA

Zip Code 02045

Lender Lehman Brothers Bank



COMPARABLE SALE # 4

251 Beach Street

Hull

Date of Sale : 8/01/2004

Sale Price : 1,025,000

Sq. Ft. : 2,450

\$ / Sq. Ft. : 418.40



COMPARABLE SALE # 5

15 Beach Avenue

Hull

Date of Sale : pending

Sale Price : 1,300,000

Sq. Ft. : 3,541

\$ / Sq. Ft. : 367.10



COMPARABLE SALE # 6

25 Mt Pleasant Avenue

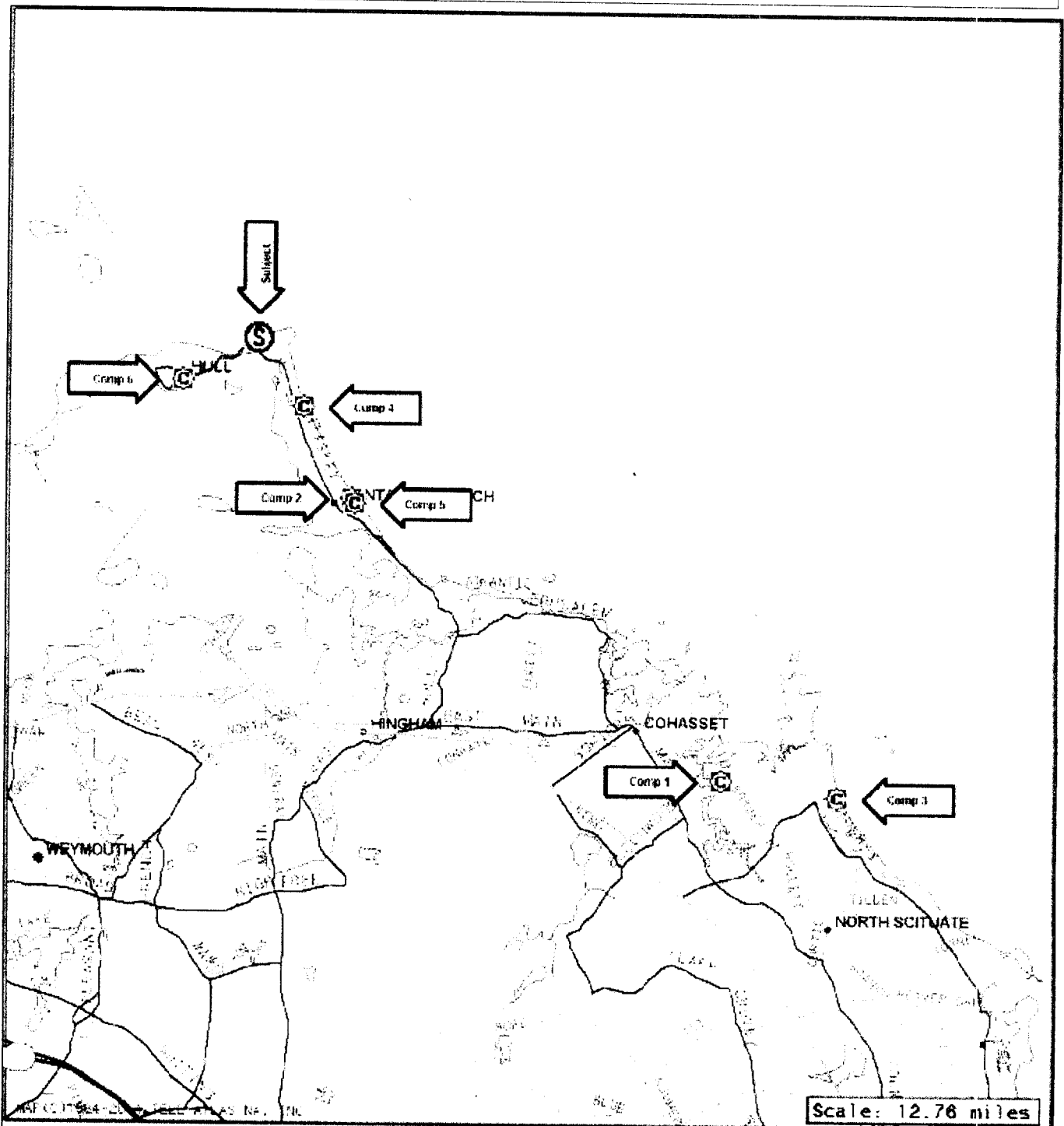
Hull

Date of Sale : active

LOCATION MAP ADDENDUM

File No: 0S455623

Borrower N/A
 Property Address 940 Nantasket Avenue
 City HULL County PLYMOUTH State MA Zip Code 02045
 Lender Lehman Brothers Bank



Prepared by: The Appraisers Collaborative (781) 355-2300

COMPARABLE SALES INFORMATION

COMPARABLE SALE # 1		COMPARABLE SALE # 4	
Address	150 E. 60th St.	Address	251 FAIRVIEW AV.
Date of Sale	1/21/2004	Date of Sale	3/11/2004
Sale Price	1,100,000	Sale Price	1,100,000
Bedrooms	3	Bedrooms	3
Bathrooms	5	Bathrooms	5
Living Area	1,100 sq. ft.	Living Area	1,100 sq. ft.
Proximity to Subject	7.4 MI. SW	Proximity to Subject	0.0 MI. SW
COMPARABLE SALE # 2		COMPARABLE SALE # 5	
Address	41 LEACH AV.	Address	15 LEACH AV.
Date of Sale	3/17/2004	Date of Sale	3/17/2004
Sale Price	1,400,000	Sale Price	1,400,000
Bedrooms	3	Bedrooms	3
Bathrooms	3	Bathrooms	3
Living Area	1,400 sq. ft.	Living Area	1,400 sq. ft.
Proximity to Subject	1.1 MI. SW	Proximity to Subject	1.1 MI. SW

Statement of Limiting Conditions

File #: 0S455623

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in the market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantee, express or implied, regarding the determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can

APPRAISER CERTIFICATION

File #: OS455623

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than, the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individual(s) in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED:

940 Nantasket Avenue

HULL

MA

02045

APPRAISER:**SUPERVISORY APPRAISER** (only if required):

*** INVOICE ***

The Appraisers Collaborative
150 Wood Road, Suite 1001
Braintree, MA 02184

Invoice #: 050404-0290-2

Date Invoice 5/5/2005

Terms: Payable on Receipt

Date Due:

To: Lehman Brothers Bank
10350 Park Meadows Drive Littleton, CO 80124
Job Number: AURORA-050404-0290-2

Borrower: N/A

For Property located at

940 Nantasket Avenue
HULL MA 02045

Fee: \$ 750

Remittance Copy

Please remit payment to:

The Appraisers Collaborative
150 Wood Road, Suite 1001
Braintree, MA 02184

Invoice #: 050404-0290-2



Town of Hull

BUILDING DEPARTMENT

TEL: (781) 925-1330

FAX: (781) 925-2228

253 ATLANTIC AVE

HULL, MASSACHUSETTS 02045

Notice of Unsafe Structure or Parts Thereof

April 12, 2005

Linda Edelkind
P.O. Box 153
1330 Fornebu, Norway

Re: 940 Nantasket Avenue

As a result of an inspection performed by me on February 7, 2005, at the above referenced property, the following Building Code (780CMR) violations were observed:

The main support posts/beams have been modified – posts have been removed and replaced with temporary posts. Temporary posts and existing masonry piers are undermined and sitting in 4' – 6' (min) of water. The above work and other, as yet undetermined Building, Plumbing, & Electrical work was performed without required permits.

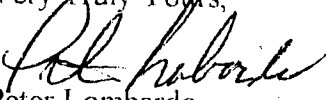
Because these violations are dangerous to life or limb, you are hereby ordered pursuant to CMR780, section 121, to remove and/or make safe the aforementioned deficiencies immediately.

Section 118.4 provides for a One Thousand (\$1,000) Dollar a day fine for each offense. Each day constitutes a separate offense.

Finally, you must obtain all necessary permits prior to performing these corrections.

Any questions regarding this matter may be directed to this department.

Very Truly Yours,


Peter Lombardo,
Building Commissioner

cc: James Lampki

TO:
Mr. Peter Lombardo
Building Commissioner
Town of Hull

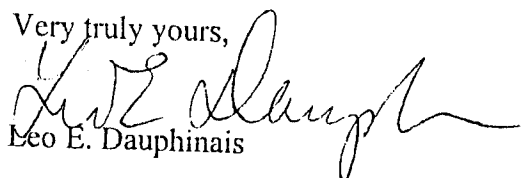
FROM:
Leo E. Dauphinais
Plumbing & Gas Inspector
Town of Hull

DATE:
January 31, 2005

RE:
940 Nantasket Ave.

During my inspection of the above referenced address on January 28, 2005 as per the request of Keyspan, I also observed the following deficiencies in the plumbing. There are apparently 5 bathrooms completely remodeled and one under construction. None of these seem to be permitted or inspected and yet they are all completed. The state plumbing code only allows three bathroom groups on a 3 inch drain and yet I see no 4" in any location. The kitchen has also been completely remodeled. The work that is visible is of poor quality. I would have to have access to piping that has been installed behind walls and floors before I can tell if any of it meets the state code. I also did note that the main columns in the basement have been rotted out and the bottom 2 or three feet have been replaced with short metal jack posts in the water which is collected in pools.

Very truly yours,


Leo E. Dauphinais

TO:
Mr. Paul Kerivan
Keyspan Energy Delivery
100 Commercial Street
Malden, MA 02148

FROM:
Leo E. Dauphinais
Plumbing & Gas Inspector
Town of Hull

DATE:
January 29, 2005

SUBJECT:
940 Nantasket Ave.
Hull, MA. 02045

At your request, yesterday I assisted you and your co-workers in the inspection of the above referenced address. We were forced to obtain a search warrant from the Hingham District Court in order to gain entry. My finds are categorized below, but I have not addressed the hi-pressure gas main and regulator violations as they are part of the theft of gas from Keyspan. I did not feel that they should be part of my inspection for violations of the State Gas Code.

To the best of my knowledge Permits were neither requested nor issued for the work found. Inspections also were not requested nor done.
Unacceptable materials were used for gas piping (compressed air tubing, soldered copper tubing, etc.).

Leaks were left in the piping system.

Piping in some areas seemed undersized.

Venting from appliances seemed to not meet the code (manufacturers instructions were not on site).

Joining methods did not meet code requirements.

CSST flexible gas systems were used without any evidence of a certified installers presence. There are numerous samples of improper installation.


Shutoff valves were either missing or incorrectly installed

Some appliances were installed without drip legs (sediment traps).

Backflow preventers were incorrectly installed

The code required access to the third floor units was not installed.

Very truly yours,


Leo E. Dauphinais
Cc Peter Lombardo

1/31/05



GARY HIGGINS/The Patriot Ledger

■ The government wants to seize this mansion on Nantasket Avenue in Hull, once the summer home for former Boston Mayor John F. "Honey Fitz" Fitzgerald. Prosecutors say it was purchased through fraudulent transactions.

SEIZURE SOUGHT

Government accuses man of fraud in purchase of mansion

By STEVE ADAMS

The Patriot Ledger

HULL — The stately mansion at Point Allerton was once a summer home for legendary Boston Mayor John F. "Honey Fitz" Fitzgerald.

Since 2000, however, federal prosecutors say it has been a pot of gold for Jamie Edelkind.

The 41-year-old Georgia native is charged with fraudulently obtaining a series of mortgages and home equity loans from seven financial institutions and using them to buy and refurbish the landmark estate. The government is

last summer to a bank account in Norway, where his wife and children are believed to have moved later last year.

Edelkind is scheduled to go to trial Feb. 28 in U.S. District Court in Boston to face four counts of defrauding a fi-

applicant.

Edelkind bought the 15-room mansion in 2000 after allegedly furnishing false information in a mortgage application to America's Moneyline Inc. submitted in his wife's name.

The applications claimed that Linda Edelkind was earning more than \$200,000 a year at Edelkind's home-based business, Apostille Inc. Edelkind submitted phony documents, including fabricated salary and tax statements, to show that his wife was making more than \$200,000 a year and had \$1 million in Norwegian bank accounts.



BUSINESS

Times

Mansion at center of fraud case

MANSION

Continued on page 18

Edelkand paid for a \$1 million loan from South Shore Savings Bank in 2001, and then for \$2.1 million from Washington Mutual in 2003, the Hull assessors, of which the value of the three-quarter-acre property and home at \$1.8 million, and Linda Edelkand is listed as owner.

Prosecutors say the Edelkands used the money for renovations to the mansion and for personal expenses.

South Shore Savings Bank President John Boucher declined to comment on what safeguards the bank has in place for mortgage fraud.

"If there was any way, we could have avoided it, we would have," Boucher said, adding that the bank experienced no losses because Edelkand paid for the mortgage when he subsequently refinanced.

"We thought we were done with it until we were subpoenaed (to provide documents to investigators)," Boucher said.

Edelkand founded Apostille in 2000 and ran it out of the mansion, promoting, on a now-defunct web site, plans to develop a ground-breaking anti-infra piracy software program.

Edelkand shared his vision for the company's future in a 2002 interview with The Patriot Ledger.

He said the company wanted to recruit major record labels to sign licensing deals paying Apostille up to 3 percent of their royalties in exchange for the use of Apostille's anti-piracy

Timeline of Hull mansion finances

- September 2000: Jamie Edelkand's wife, Linda, allegedly buys Honey Fitz Mansion at 940 Nantasket Ave. in Hull with \$600,000 mortgage from America's Moneyline Inc.
- April 2001: South Shore Savings Bank provides \$1 million mortgage refinancing of the Honey Fitz Mansion.
- April 19, 2002: Haysenold Finance Corp. grants \$30,000 home equity line of credit to Linda Edelkand.
- May 9, 2002: Wells Fargo Bank grants home equity line of \$350,000 to Linda Edelkand.
- May 30, 2002: Countywide Home Loans grants home equity line of \$350,000 to Linda Edelkand.
- March 17, 2003: Washington Mutual Bank provides mortgage refinancing of \$2.1 million.
- March 10, 2004: Jamie Edelkand indicted on bank fraud charges related to mortgages and equity loans at 940 Nantasket Ave.
- Aug. 30, 2004: Fairmount Funding LTD provides \$3.3 million mortgage refinancing for Honey Fitz Mansion.
- Aug. 30, 2004: Cash-out refinancing proceeds of about \$570,000 deposited into Linda Edelkand's Fleet Bank checking account.
- Aug. 31-Oct. 18, 2004: Nearly \$308,000 wired from Fleet Bank checking account to Norway.
- Oct. 18, 2004: Linda Edelkand and children move to Norway.
- Oct. 18-Dec. 15, 2004: \$34,000 withdrawn from checking account through ATMs in Norway.

Source: U.S. Attorney's Office

software. He also was seeking individual investors to help finance the product's development.

Prosecutors say Apostille had no substantial revenues and did not pay any salaries.

Edelkand apparently left Massachusetts in 2003 and was arrested in

He was extradited to last year to face the charges in the Hull mansion.

While free on bail, Edelkand allegedly refinanced the Honey Fitz Mansion mortgage in his wife's name.

Through a mortgage claimed that Linda Edelkand nearly \$92,000 a month and obtained a \$3.3 million from Fairmount Funding. Fairmount sold the loan to Lehman Brothers, which \$569,878 in cash-out net proceeds into Linda Edelkand's Fleet Bank checking account.

During the next six months, Edelkand allegedly was moved there in Oct. 18, 2004, and Edelkand's wife and children moved there in Oct. 18, 2004. The mortgage is now in Edelkand's name, and Robert Shetoff, who reached for comment yesterday.

A federal judge in Georgetown, Va., sentenced Edelkand to prison, fined him \$500,000 and ordered him to pay \$221,000 in restitution. He was transferred in October to a medical center at the former Ayer.

Steve Adams may be reached at sadams@ledger.com.